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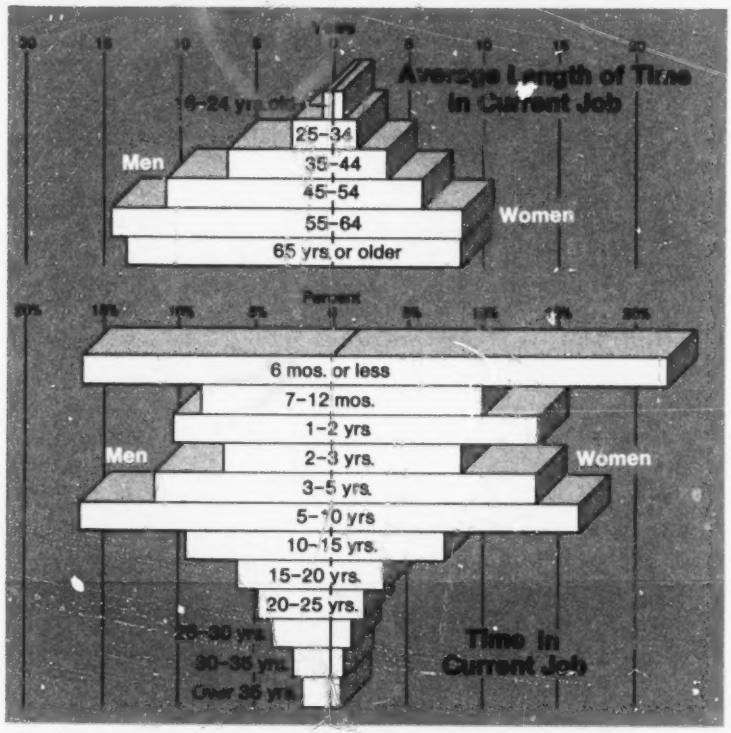
Job Tenure

Economic Road Maps
No. 1888 October, 1980

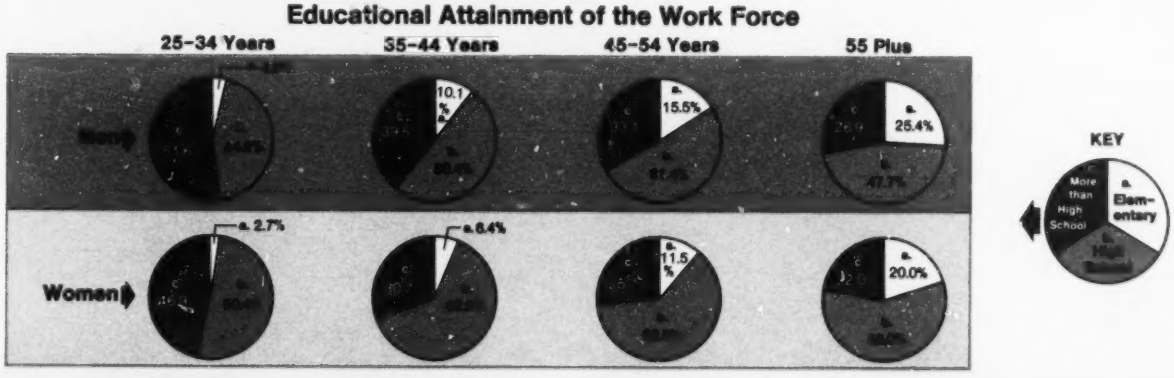
A number of factors determine how long one works in the same job. Not the least is the labor market situation—the strength of demand for labor in a particular field, and the degree of competition in that field. From a worker's point of view, the paramount influences on job tenure are how well he or she performs and what alternative possibilities exist. Obviously, if one does not perform satisfactorily, length of service is likely to be quite short. On the other hand, if one likes the work and is good at it, job tenure is likely to be lengthy—although the availability of alternative opportunities could significantly alter the picture. Still other key factors are age, sex and educational attainment. Changes in the age and sex composition of the work force over the last decade or so have had a significant effect on the job tenure of the work force.



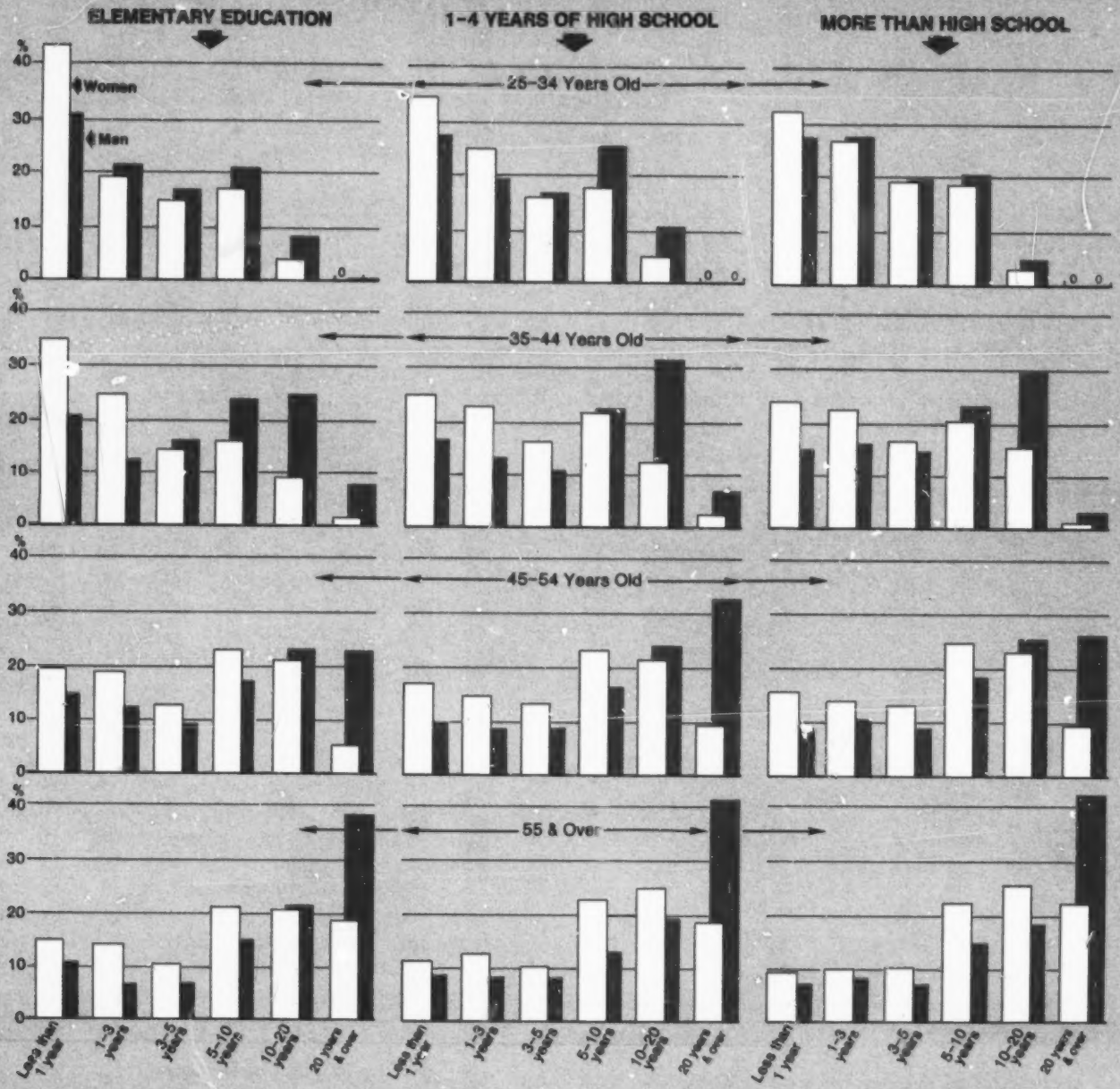
A survey conducted in January, 1978, showed that a little more than one-fourth of all workers were employed in jobs that they had found only within the previous 12 months; about half had been in the same job for between one and ten years; and a little less than one-fourth had been working at the same job for ten years or more. Overall, the average length of time in the same job was 3.6 years for all workers. A similar survey conducted a decade earlier showed a slightly higher (3.8 years) average job tenure.

One of the principal reasons usually given for the decline in average job tenure is also one of the principal factors affecting almost every aspect of the labor market—the influx of women and teenagers into the labor force. Young people change jobs more often than older people. Put another way, young people tend to job hop in search of a better, or higher paying, job. As they acquire skill and experience, some find positions they prefer and therefore are less likely to continue to move from one job to another. Others may

Educational Attainment of the Work Force



Length of Time in Current Job



not wish to remain where they are, but are deterred from switching by a lack of alternatives, family responsibilities, or potential loss of benefits (such as pensions).

Data on job tenure show an obvious difference between men and women. Between the ages of 16 to 24, average job tenure is identical for men and women. But it is significantly higher for men between 25 and 34 than for their female counterparts. And in the 35 to 44 years of age group, tenure is almost twice as high for men as for women. One reason for this difference is that a number of women, age 25 to 44, interrupt their working lives to raise children.

Average job tenure varies directly with educational attainment. Very broadly speaking, workers with more schooling—who can, therefore, be considered more highly skilled—tend to spend more of their working lives in the same job than those with less schooling. Linking age and educational attainment together, one can see a pattern of those with less schooling spending more of their time job hopping, either in search of some more suitable position, or as a result of tending to be employed in seasonal jobs or jobs with frequent layoffs. Ken Goldstein

Source: Bureau of Labor Statistics; The Conference Board.

ECONOMIC ROAD MAPS

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